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Department of State

INCOMING TELEGRAM 107

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ACTION EA-12

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USICA FOR PGM/RC, PGM/P, PGM/FW, PGM/FN, VDA NEWS/CA, STATE FOR EA/ANZ, CINCPAC FOR USICA ADVISOR,

EO 12065: N/A
SUBJECT: MEDIA REACTION: BUTTER PURCHASE

NEWSPAPERS FEATUREO THE PURCHASE OF U.S. BUTTER BY THE DAIRY BOARD, BUT EDITORIALLY HAD RESERVATIONS ABOUT FUTURE STOCKS WHICH THE UNITED STATES MIGHT AMASS.

"THE IMPRESSION REMAINS THAT NEW ZEALAND MAY HAVE SAVED AN IMMEDIATE SITUATION BY ENTERING UPON A NEW AND POTENTIALLY HAZARDOUS COURSE OF TRADING," WAS THE AUGUST 7 COMMENT OF THE NEW ZEALAND HERALD, WHICH DESCRIBED THE PURCHASE AS AN AUDACIOUS MOVE UNDERTAKEN TO AVOID A COLLAPSE OF THE INTERNATIONAL MARKET.

"THE BIG QUESTION NOW IS: WHERE WILL IT STOP? THE AMERICANS AND OTHER BUTTER PRODUCERS CAN TAKE THE POINT THAT WHEN A BIG BUTTER SURPLUS THREATENED THE WORLD MARKET, NEW ZEALAND BOUGHT IT. WILL NEW ZEALAND BE SIMILARLY OBLIGING WHEN THE NEXT SURPLUS - AMERICAN OR OTHERWISE - COMES ALONG."
"THE AMERICANS SHOULD TRIM THEIR DAIRY SUPPORT PROGRAMMES TO REFLECT REAL DEMAND AND TAKE THE PRESSURE OFF THE TAXPAYERS AND THE NEW ZEALAND PRODUCERS - A POINT WHICH COULD WELL BE MADE AGAIN TO THE U.S. TRADE REPRESENTATIVE, MR WILLIAM BROCK, IN NEW ZEALAND OVER THE NEXT FEW DAYS," ADDED THE OTAGO DAILY TIMES, AUGUST 8.

"THE UNITED STATES SHOULD DEVISE POLICIES WHICH ARE RESPONSIBLE AND DO NOT ENCOURAGE THE PRODUCTION OF INTERNATIONAL MARKET WITHOUT A HEAVY SUBSIDY," SAID THE EVENING POST ON AUGUST 10. CBELL

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DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY _____ DATE 4/14/84
EOS ☐ or XDS ☐ EXT. DATE _____
TS AUTH. _____ REASON(S) _____
ENDORSE EXISTING MARKINGS
DECLASSIFIED ☐ RELEASABLE ☑
RELEASE DENIED ☐
PA or FOI EXEMPTIONS _____

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